



## Simon Property Group Reports Fourth Quarter and Full Year 2020 Results

February 8, 2021

INDIANAPOLIS, Feb. 8, 2021 /PRNewswire/ -- Simon, a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations, today reported results for the quarter and twelve months ended December 31, 2020.



"2020 was a difficult year for all those affected by COVID-19, including our Company," said David Simon, Chairman, Chief Executive Officer and President. "We feel confident we have turned the corner, and we expect growth in earnings and cash flow in 2021."

"Even with the unprecedented operating environment over the past year, we:

- generated over \$2.3 billion in operating cash flow;
- acquired an 80% interest in The Taubman Realty Group;
- made strategic investments in widely recognized retail brands at attractive valuations and have already made significant progress in repositioning these brands and increasing their operating cash flow;
- raised over \$13 billion in the debt and equity markets;
- opened two new international shopping destinations, expanded two others and completed three domestic redevelopments;
- granted approximately \$400 million in tenant rent abatements to support small and local businesses, regional entrepreneurs and restaurateurs;
- paid nearly \$700 million in real estate taxes (an increase from 2019) despite losing approximately 13,500 shopping days in our domestic portfolio during the year as a result of the restrictive governmental orders placed on our retail real estate and
- returned more than \$2 billion to shareholders in cash dividends paid."

### Results for the Year

- Net income attributable to common stockholders was \$1.109 billion, or \$3.59 per diluted share for the twelve months ended December 31, 2020. Results for 2020 include non-cash impairment charges, partially offset by a gain on sale, of \$115.0 million, or \$0.32 per diluted share.
- Funds From Operations ("FFO") was \$3.237 billion, or \$9.11 per diluted share for the year ended 2020. FFO for the year ended 2020 was negatively impacted by \$2.67 per diluted share primarily due to reduced revenues from the Company's domestic and international operations caused by the impact of the COVID-19 pandemic, partially offset by cost reduction initiatives.
- Portfolio net operating income ("NOI") for the full year 2020 declined 17.1%. The year-over-year decline is primarily due to reduced revenues from tenant rent abatements, higher uncollectible rents, lower sales-based rents and a reduction in ancillary property income, including Simon Brand Ventures sponsorship income, partially offset by cost reduction initiatives. The Company did not amortize any rent abatements; instead, abatements were expensed in the period granted.

### Results for the Quarter

- Net income attributable to common stockholders was \$271.5 million, or \$0.86 per diluted share for the three months ended December 31, 2020. The current year period includes a non-cash impairment charge, partially offset by a gain on sale, of \$16.8 million, or \$0.05 per diluted share.
- FFO was \$786.6 million, or \$2.17 per diluted share. FFO in the current year period was negatively impacted by \$0.95 primarily due to reduced revenues from the Company's domestic and international operations caused by the impact of the COVID-19 pandemic, partially offset by cost reduction initiatives.
- Portfolio NOI for the three months ended December 31, 2020 declined 23.9%.

### U.S. Malls and Premium Outlets Operating Statistics

- Occupancy was 91.3% at December 31, 2020.
- Base minimum rent per square foot was \$55.80 at December 31, 2020, an increase of 2.2% year-over-year.

### Business Update

As of February 5, 2021, the Company has collected from its U.S. retail portfolio, 90% of its net billed rents for the second, third and fourth quarters, combined.

(\$ millions)	<u>Q2 2020</u> <u>through</u> <u>Q4 2020</u>
U.S. Managed Portfolio Gross Contractual Rents	\$4,762
Rent Write-Offs Related to Tenants in Bankruptcy	(102)
Net Contractual Rents	4,660
Deferrals Agreed	(341)
Abatements Granted	(410)
Net Billed Rents	3,909
Collected	\$3,520
Collected as percent of Net Billed Rents	90%

Amounts are presented on a gross basis, not at the Company's share. U.S. managed portfolio gross contractual rents do not include any prior period deferrals or sales-based rents. Amounts above relate to the contractual rents in the stated periods. Abatements reduced Lease Income in the period they were granted or agreed.

### Acquisition of Taubman Centers, Inc.

In December, the Company completed its acquisition of a 80% ownership interest in The Taubman Realty Group ("TRG"). Under the terms of the transaction, Simon, through its operating partnership, Simon Property Group, L.P., acquired all of Taubman Centers, Inc. ("TCO") common stock for \$43.00 per share in cash, and the Taubman family sold approximately one-third of its ownership interest at the transaction price and remains a 20% partner in TRG.

Total consideration for the acquisition, including the redemption of TCO's 6.5% Series J Cumulative Preferred Shares and its 6.25% Series K Cumulative Preferred Shares, was approximately \$3.45 billion and was funded with existing liquidity, including proceeds from Simon's issuance of 22,137,500 shares of its common stock which was completed in November 2020.

### Capital Markets and Balance Sheet Liquidity

During the fourth quarter, the Company completed a public offering of 22,137,500 shares of its common stock. Net proceeds from the offering were approximately \$1.56 billion.

Subsequent to the end of the quarter, the Company completed a two tranche senior notes offering totaling \$1.5 billion. Combined, the two new issues of senior notes had a weighted average term of 8.4 years and a weighted average coupon rate of 1.96%.

As of December 31, 2020, Simon had more than \$8.2 billion of liquidity consisting of \$1.5 billion of cash on hand, including its share of joint venture cash, and \$6.7 billion of available capacity under its revolving credit facilities, net of \$623 million outstanding under its U.S. commercial paper program.

### Dividends

The Company paid its fourth quarter 2020 common stock dividend of \$1.30 per share, in cash, on January 22, 2021. Simon's Board of Directors will declare a common stock cash dividend for the first quarter of 2021 on or before March 31, 2021.

Simon's Board of Directors declared the quarterly dividend on its 8 3/8% Series J Cumulative Redeemable Preferred Stock (NYSE: SPGPrJ) of \$1.046875 per share, payable on March 31, 2021 to shareholders of record on March 17, 2021.

### 2021 Guidance

The Company currently estimates net income to be within a range of \$4.60 to \$4.85 per diluted share and that FFO will be within a range of \$9.50 to \$9.75 per diluted share for the year ending December 31, 2021. This guidance range assumes no further government mandated shutdowns of the Company's domestic retail properties.

The following table provides the reconciliation for the expected range of estimated net income attributable to common stockholders per diluted share to estimated FFO per diluted share:

For the year ending December 31, 2021	Low End	High End
Estimated net income attributable to common stockholders per diluted share	\$4.60	\$4.85
Depreciation and amortization including Simon's share of unconsolidated entities	4.90	4.90
Estimated FFO per diluted share	\$9.50	\$9.75

### Conference Call

Simon will hold a conference call to discuss the quarterly financial results today at 5:00 p.m. Eastern Time, Monday, February 8, 2021. A live webcast of the conference call will be accessible in listen-only mode at [investors.simon.com](http://investors.simon.com). An audio replay of the conference call will be available until February 15, 2021. To access the audio replay, dial 1-855-859-2056 (international 404-537-3406) passcode 9827795.

### Supplemental Materials and Website

Supplemental information on our fourth quarter 2020 performance is available at [investors.simon.com](http://investors.simon.com). This information has also been furnished to the SEC in a current report on Form 8-K.

We routinely post important information online on our investor relations website, [investors.simon.com](http://investors.simon.com). We use this website, press releases, SEC filings, quarterly conference calls, presentations and webcasts to disclose material, non-public information in accordance with Regulation FD. We encourage members of the investment community to monitor these distribution channels for material disclosures. Any information accessed through our website is not incorporated by reference into, and is not a part of, this document.

### Non-GAAP Financial Measures

This press release includes FFO, FFO per share and portfolio Net Operating Income growth which are financial performance measures not defined by generally accepted accounting principles in the United States ("GAAP"). Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in Simon's supplemental information for the quarter. FFO and Net Operating Income growth are financial performance measures widely used in the REIT industry. Our definitions of these non-GAAP measures may not be the same as similar measures reported by other REITs.

### Forward-Looking Statements

Certain statements made in this press release may be deemed "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained, and it is possible that the Company's actual results may differ materially from those indicated by these forward-looking statements due to a variety of risks, uncertainties and other factors. Such factors include, but are not limited to: uncertainties regarding the impact of the COVID-19 pandemic and governmental restrictions intended to prevent its spread on our business, financial condition, results of operations, cash flow and liquidity and our ability to access the capital markets, satisfy our debt service obligations and make distributions to our stockholders; changes in economic and market conditions that may adversely affect the general retail environment; the potential loss of anchor stores or major tenants; the inability to collect rent due to the bankruptcy or insolvency of tenants or otherwise; the intensely competitive market environment in the retail industry, including e-commerce; an increase in vacant space at our properties; the inability to lease newly developed properties and renew leases and relet space at existing properties on favorable terms; our international activities subjecting us to risks that are different from or greater than those associated with our domestic operations, including changes in foreign exchange rates; risks associated with the acquisition, development, redevelopment, expansion, leasing and management of properties; general risks related to real estate investments, including the illiquidity of real estate investments; the impact of our substantial indebtedness on our future operations, including covenants in the governing agreements that impose restrictions on us that may affect our ability to operate freely; any disruption in the financial markets that may adversely affect our ability to access capital for growth and satisfy our ongoing debt service requirements; any change in our credit rating; changes in market rates of interest; the transition of LIBOR to an alternative reference rate; our continued ability to maintain our status as a REIT; changes in tax laws or regulations that result in adverse tax consequences; risks relating to our joint venture properties, including guarantees of certain joint venture indebtedness; environmental liabilities; natural disasters; the availability of comprehensive insurance coverage; the potential for terrorist activities; security breaches that could compromise our information technology or infrastructure; and the loss of key management personnel. The Company discusses these and other risks and uncertainties under the heading "Risk Factors" in its annual and quarterly periodic reports filed with the SEC. The Company may update that discussion in subsequent other periodic reports, but except as required by law, the Company undertakes no duty or obligation to update or revise these forward-looking statements, whether as a result of new information, future developments, or otherwise.

### About Simon

Simon is a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company (Simon Property Group, NYSE: SPG). Our properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales.

#### Simon Property Group, Inc.

*Unaudited Consolidated Statements of Operations  
(Dollars in thousands, except per share amounts)*

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>REVENUE:</b>				
Lease income	\$ 1,032,795	\$ 1,356,238	\$ 4,302,367	\$ 5,243,771
Management fees and other revenues	25,336	29,174	96,882	112,942
Other income	73,298	103,203	208,254	398,476
<b>Total revenue</b>	<b>1,131,429</b>	<b>1,488,615</b>	<b>4,607,503</b>	<b>5,755,189</b>
<b>EXPENSES:</b>				
Property operating	81,675	113,741	349,154	453,145
Depreciation and amortization	331,851	324,310	1,318,008	1,340,503
Real estate taxes	110,067	118,600	457,142	468,004
Repairs and maintenance	23,376	26,743	80,858	100,495
Advertising and promotion	37,646	41,216	98,613	150,344
Home and regional office costs	41,249	45,217	171,668	190,109
General and administrative	5,366	7,333	22,572	34,860
Other	38,152	34,579	137,679	109,898

<b>Total operating expenses</b>	<b>669,382</b>	<b>711,739</b>	<b>2,635,694</b>	<b>2,847,358</b>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>462,047</b>	<b>776,876</b>	<b>1,971,809</b>	<b>2,907,831</b>
Interest expense	(197,855)	(189,813)	(784,400)	(789,353)
Loss on extinguishment of debt	-	(116,256)	-	(116,256)
Income and other tax benefit (expense)	1,572	(6,744)	4,637	(30,054)
Income from unconsolidated entities	63,260	127,657	219,870	444,349
Unrealized gains (losses) in fair value of equity instruments	494	(3,365)	(19,632)	(8,212)
(Loss) gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	(16,792)	2,061	(114,960)	14,883
<b>CONSOLIDATED NET INCOME</b>	<b>312,726</b>	<b>590,416</b>	<b>1,277,324</b>	<b>2,423,188</b>
Net income attributable to noncontrolling interests	40,409	79,388	164,760	321,604
Preferred dividends	834	834	3,337	3,337
<b>NET INCOME ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>	<b>\$ 271,483</b>	<b>\$ 510,194</b>	<b>\$ 1,109,227</b>	<b>\$ 2,098,247</b>
<b>BASIC AND DILUTED EARNINGS PER COMMON SHARE:</b>				
Net income attributable to common stockholders	\$ 0.86	\$ 1.66	\$ 3.59	\$ 6.81

**Simon Property Group, Inc.**  
*Unaudited Consolidated Balance Sheets*  
(Dollars in thousands, except share amounts)

	December 31, 2020	December 31, 2019
<b>ASSETS:</b>		
Investment properties, at cost	\$ 38,050,196	\$ 37,804,495
Less - accumulated depreciation	14,891,937	13,905,776
	<u>23,158,259</u>	<u>23,898,719</u>
Cash and cash equivalents	1,011,613	669,373
Tenant receivables and accrued revenue, net	1,236,734	832,151
Investment in unconsolidated entities, at equity	2,603,571	2,371,053
Investment in Klépierre, at equity	1,729,690	1,731,649
Investment in TRG, at equity	3,451,897	-
Right-of-use assets, net	512,914	514,660
Deferred costs and other assets	1,082,168	1,214,025
<b>Total assets</b>	<u>\$ 34,786,846</u>	<u>\$ 31,231,630</u>
<b>LIABILITIES:</b>		
Mortgages and unsecured indebtedness	\$ 26,723,361	\$ 24,163,230
Accounts payable, accrued expenses, intangibles, and deferred revenues	1,311,925	1,390,682
Cash distributions and losses in unconsolidated entities, at equity	1,577,393	1,566,294
Dividend payable	486,922	-
Lease liabilities	515,492	516,809
Other liabilities	513,515	464,304
<b>Total liabilities</b>	<u>31,128,608</u>	<u>28,101,319</u>
Commitments and contingencies		
Limited partners' preferred interest in the Operating Partnership and noncontrolling redeemable interests in properties	185,892	219,061
<b>EQUITY:</b>		
Stockholders' Equity		
Capital stock (850,000,000 total shares authorized, \$ 0.0001 par value, 238,000,000 shares of excess common stock, 100,000,000 authorized shares of preferred stock):		
Series J 8 3/8% cumulative redeemable preferred stock, 1,000,000 shares authorized, 796,948 issued and outstanding with a liquidation value of \$39,847	42,091	42,420
Common stock, \$ 0.0001 par value, 511,990,000 shares authorized, 342,849,037 and 320,435,256 issued and outstanding, respectively	34	32
Class B common stock, \$ 0.0001 par value, 10,000 shares authorized, 8,000 issued and outstanding	-	-
Capital in excess of par value	11,179,688	9,756,073
Accumulated deficit	(6,102,314)	(5,379,952)
Accumulated other comprehensive loss	(188,675)	(118,604)
Common stock held in treasury, at cost, 14,355,621 and 13,574,296 shares, respectively	(1,891,352)	(1,773,571)
Total stockholders' equity	3,039,472	2,526,398
Noncontrolling interests	432,874	384,852
<b>Total equity</b>	<u>3,472,346</u>	<u>2,911,250</u>
<b>Total liabilities and equity</b>	<u>\$ 34,786,846</u>	<u>\$ 31,231,630</u>

**Simon Property Group, Inc.**  
*Unaudited Joint Venture Combined Statements of Operations*  
(Dollars in thousands)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2020	2019	2020	2019
<b>REVENUE:</b>				
Lease income	\$ 624,516	\$ 802,746	\$ 2,544,134	\$ 3,088,594
Other income	85,284	88,060	300,634	322,398
Total revenue	<u>709,800</u>	<u>890,806</u>	<u>2,844,768</u>	<u>3,410,992</u>
<b>OPERATING EXPENSES:</b>				
Property operating	136,616	152,320	519,979	587,062
Depreciation and amortization	179,719	169,693	692,424	681,764
Real estate taxes	64,864	65,314	262,351	266,013
Repairs and maintenance	19,061	23,491	68,722	85,430
Advertising and promotion	24,764	25,808	67,434	89,660
Other	55,888	53,374	163,710	196,178
Total operating expenses	<u>480,912</u>	<u>490,000</u>	<u>1,774,620</u>	<u>1,906,107</u>
<b>OPERATING INCOME BEFORE OTHER ITEMS</b>	<b>228,888</b>	<b>400,806</b>	<b>1,070,148</b>	<b>1,504,885</b>
Interest expense	(152,703)	(163,074)	(616,332)	(636,988)
Gain on sale or disposal of, or recovery on, assets and interests in unconsolidated entities, net	-	3,022	-	24,609
<b>NET INCOME</b>	<b>\$ 76,185</b>	<b>\$ 240,754</b>	<b>\$ 453,816</b>	<b>\$ 892,506</b>
<b>Third-Party Investors' Share of Net Income</b>	<b>\$ 32,731</b>	<b>\$ 128,618</b>	<b>\$ 226,364</b>	<b>\$ 460,696</b>
<b>Our Share of Net Income</b>	<b>43,454</b>	<b>112,136</b>	<b>227,452</b>	<b>431,810</b>
<b>Amortization of Excess Investment (A)</b>	<b>(19,953)</b>	<b>(21,143)</b>	<b>(82,097)</b>	<b>(83,556)</b>
<b>Our Share of Gain on Sale or Disposal of Assets and Interests in Other Income in the Consolidated Financial Statements</b>	-	-	-	(9,156)
<b>Our Share of Gain on Sale or Disposal of, or Recovery on, Assets and Interests in Unconsolidated Entities, net</b>	-	(1,133)	-	(1,133)
<b>Income from Unconsolidated Entities (B)</b>	<b>\$ 23,501</b>	<b>\$ 89,860</b>	<b>\$ 145,355</b>	<b>\$ 337,965</b>

Note: The above financial presentation does not include any information related to our investments in Klépierre S.A. ("Klépierre") and The Taubman Realty Group ("TRG"). For additional information, see footnote B.

**Simon Property Group, Inc**  
Unaudited Joint Venture Combined Balance Sheets  
(Dollars in thousands)

	December 31, 2020	December 31, 2019
<b>Assets:</b>		
Investment properties, at cost	\$ 20,079,476	\$ 19,525,665
Less - accumulated depreciation	8,003,863	7,407,627
	<u>12,075,613</u>	<u>12,118,038</u>
Cash and cash equivalents	1,169,422	1,015,864
Tenant receivables and accrued revenue, net	749,231	510,157
Right-of-use assets, net	185,598	185,302
Deferred costs and other assets	380,087	384,663
Total assets	<u>\$ 14,559,951</u>	<u>\$ 14,214,024</u>
<b>Liabilities and Partners' Deficit:</b>		
Mortgages	\$ 15,569,485	\$ 15,391,781
Accounts payable, accrued expenses, intangibles, and deferred revenue	969,242	977,112
Lease liabilities	188,863	186,594
Other liabilities	426,321	338,412
Total liabilities	<u>17,153,911</u>	<u>16,893,899</u>
Preferred units	67,450	67,450
Partners' deficit	(2,661,410)	(2,747,325)
Total liabilities and partners' deficit	<u>\$ 14,559,951</u>	<u>\$ 14,214,024</u>
<b>Our Share of:</b>		
Partners' deficit	\$ (1,130,713)	\$ (1,196,926)
Add: Excess Investment (A)	1,399,757	1,525,903
Our net Investment in unconsolidated entities, at equity	<u>\$ 269,044</u>	<u>\$ 328,977</u>

Note: The above financial presentation does not include any information related to our investments in Klépierre and TRG. For additional information, see footnote B.

**Simon Property Group, Inc.**  
Unaudited Reconciliation of Non-GAAP Financial Measures (C)  
(Amounts in thousands, except per share amounts)

**Reconciliation of Consolidated Net Income to FFO**

For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
2020	2019	2020	2019

<b>Consolidated Net Income (D)</b>	<b>\$ 312,726</b>	<b>\$ 590,416</b>	<b>\$ 1,277,324</b>	<b>\$ 2,423,188</b>
<b>Adjustments to Arrive at FFO:</b>				
Depreciation and amortization from consolidated properties	329,422	321,404	1,308,419	1,329,843
Our share of depreciation and amortization from unconsolidated entities, including Klépierre	133,645	139,579	536,133	551,596
Loss (gain) on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	16,792	(2,061)	114,960	(14,883)
Unrealized (gains) losses in fair value of equity instruments	(494)	3,365	19,632	8,212
Net (gain) loss attributable to noncontrolling interest holders in properties	(173)	(1,172)	4,378	(991)
Noncontrolling interests portion of depreciation and amortization and loss (gain) on disposal of properties	(3,966)	(4,834)	(18,631)	(19,442)
Preferred distributions and dividends	(1,313)	(1,313)	(5,252)	(5,252)
<b>FFO of the Operating Partnership</b>	<b>\$ 786,639</b>	<b>\$ 1,045,384</b>	<b>\$ 3,236,963</b>	<b>\$ 4,272,271</b>
<b>Diluted net income per share to diluted FFO per share reconciliation:</b>				
<b>Diluted net income per share</b>	<b>\$ 0.86</b>	<b>\$ 1.66</b>	<b>\$ 3.59</b>	<b>\$ 6.81</b>
Depreciation and amortization from consolidated properties and our share of depreciation and amortization from unconsolidated entities, including Klépierre, net of noncontrolling interests portion of depreciation and amortization	1.27	1.30	5.14	5.25
Loss (gain) on sale or disposal of, or recovery on, assets and interests in unconsolidated entities and impairment, net	0.05	(0.01)	0.32	(0.04)
Unrealized (gains) losses in fair value of equity instruments	(0.01)	0.01	0.06	0.02
<b>Diluted FFO per share</b>	<b>\$ 2.17</b>	<b>\$ 2.96</b>	<b>\$ 9.11</b>	<b>\$ 12.04</b>
Details for per share calculations:				
FFO of the Operating Partnership	\$ 786,639	\$ 1,045,384	\$ 3,236,963	\$ 4,272,271
Diluted FFO allocable to unitholders	(100,472)	(138,219)	(424,063)	(563,342)
Diluted FFO allocable to common stockholders	\$ 686,167	\$ 907,165	\$ 2,812,900	\$ 3,708,929
Basic and Diluted weighted average shares outstanding	316,595	306,869	308,738	307,950
Weighted average limited partnership units outstanding	46,455	46,751	46,544	46,774
Basic and Diluted weighted average shares and units outstanding	363,050	353,620	355,282	354,724
Basic and Diluted FFO per Share	\$ 2.17	\$ 2.96	\$ 9.11	\$ 12.04
Percent Change	-26.7%		-24.3%	

**Simon Property Group, Inc.**  
Footnotes to Unaudited Financial Information

**Notes:**

- (A) Excess investment represents the unamortized difference of our investment over equity in the underlying net assets of the related partnerships and joint ventures shown therein. The Company generally amortizes excess investment over the life of the related assets.
- (B) The Unaudited Joint Venture Combined Statements of Operations do not include any operations or our share of net income or excess investment amortization related to our investments in Klépierre and TRG. Amounts included in Footnote D below exclude our share of related activity for our investments in Klépierre and TRG. For further information on Klépierre, reference should be made to financial information in Klépierre's public filings and additional discussion and analysis in our Form 10-K.
- (C) This report contains measures of financial or operating performance that are not specifically defined by GAAP, including FFO and FFO per share. FFO is a performance measure that is standard in the REIT business. We believe FFO provides investors with additional information concerning our operating performance and a basis to compare our performance with those of other REITs. We also use these measures internally to monitor the operating performance of our portfolio. Our computation of these non-GAAP measures may not be the same as similar measures reported by other REITs.

We determine FFO based upon the definition set forth by the National Association of Real Estate Investment Trusts ("NAREIT") Funds From Operations White Paper - 2018 Restatement. Our main business includes acquiring, owning, operating, developing, and redeveloping real estate in conjunction with the rental of real estate. Gains and losses of assets incidental to our main business are included in FFO. We determine FFO to be our share of consolidated net income computed in accordance with GAAP, excluding real estate related depreciation and amortization, excluding gains and losses from extraordinary items, excluding gains and losses from the sale, disposal or property insurance recoveries of, or any impairment related to, depreciable retail operating properties, plus the allocable portion of FFO of unconsolidated joint ventures based upon economic ownership interest, and all determined on a consistent basis in accordance with GAAP. However, you should understand that FFO does not represent cash flow from operations as defined by GAAP, should not be considered as an alternative to net income determined in accordance with GAAP as a measure of operating performance, and is not an alternative to cash flows as a measure of liquidity.

- (D) Includes our share of:

- (Losses) gains on land sales of (\$0.1) million and \$3.2 million for the three months ended December 31, 2020 and 2019, respectively, and \$8.0 million and \$17.3 million for the twelve months ended December 31, 2020 and 2019, respectively.
- Straight-line adjustments (decreased) increased income by (\$19.6) million and \$24.9 million for the three months ended December 31, 2020 and 2019, respectively, and (\$23.9) million and \$90.9 million for the twelve months ended December 31, 2020 and 2019, respectively.
- Amortization of fair market value of leases from acquisitions increased income by \$1.7 million and \$1.4 million for the three months ended December 31, 2020 and 2019, respectively, and \$5.2 million and \$5.4 million for the twelve months ended December 31, 2020 and 2019, respectively.

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